



2022 ICT MENTORSHIP EPISODE 2

ELEMENTS TO A TRADE SETUP
BRAVEHEART STUDY NOTES



Before the new trading week begins, think about what the Next Weekly Candlestick is going to do...

IS IT MOST LIKELY TO GO HIGHER?

IS IT MOST LIKELY TO GO LOWER?

We are not trying to predict its closing Price...

We just want to know if it's most likely to go higher or lower...

FACTORS THAT WILL IMPACT THE WEEKLY CANDLE:

- Seasonal Tendencies
- Interest Rates
- Earning Seasons & the release of quarterly earnings reports
- Price Action on a Weekly and Daily Chart

ALL OF THESE FACTORS WILL GIVE YOU AN EXPECTATION FOR THAT WEEKLY CANDLESTICK...

*Is it most likely to go higher?
Is it most likely to go lower?*

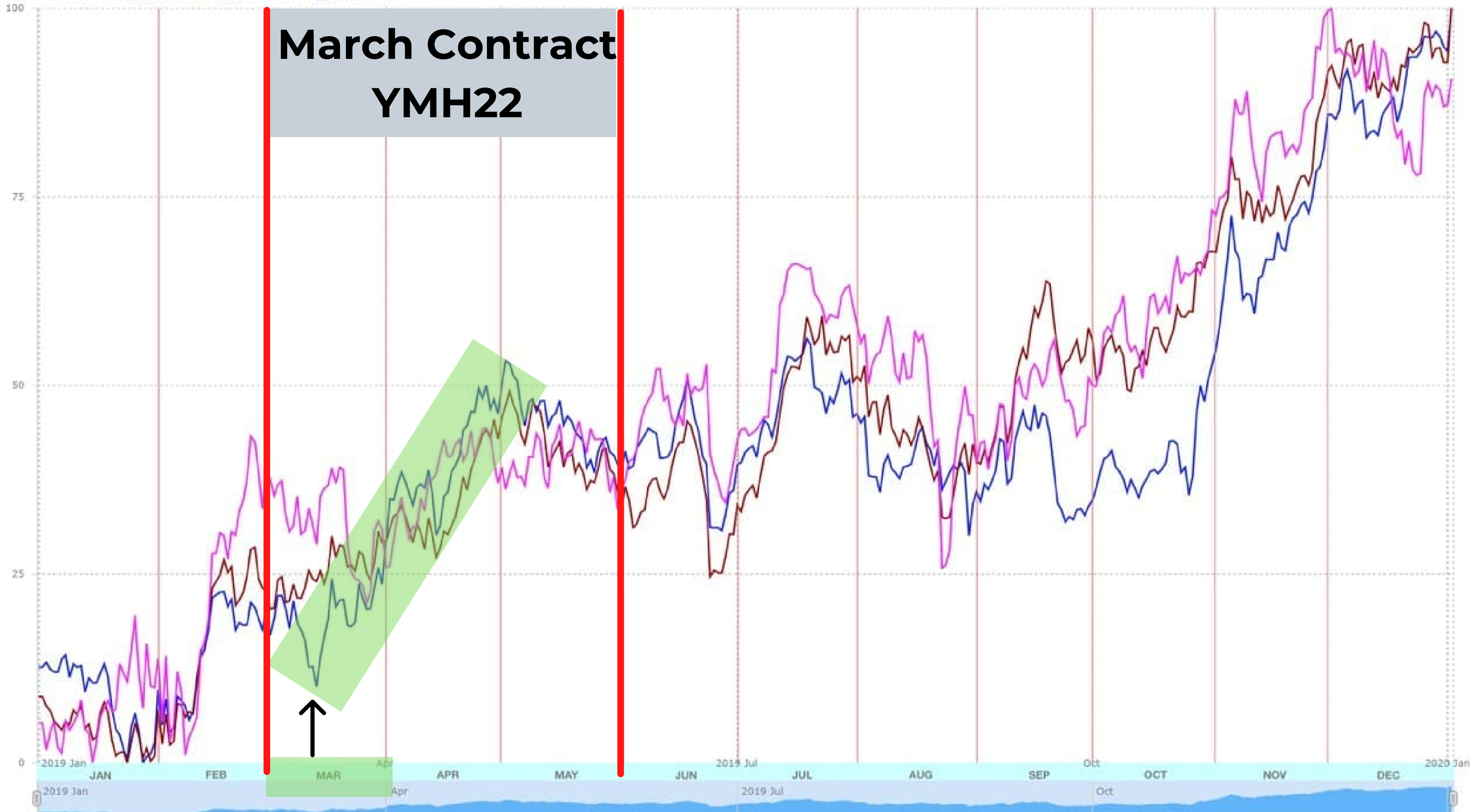
ADDITIONAL CONTENT FOR STUDY:

- Seasonal Tendencies - [Click Here](#)
- Interest Rates - [Click Here](#)
- Earning Seasons - [Click Here](#)

E-mini DJIA Index(CBOT) 23 Year Seasonal(1997-2019)

02 Jan 2020 23-Yr: 100 15-Yr: 100 5-Yr: 90.64

**March Contract
YM22**



INTEREST RATES INCREASING = STRONGER DOLLAR

| <u>Name of interest rate</u> | <u>country/region</u> | <u>current rate</u> | <u>direction</u> | <u>previous rate</u> | <u>change</u> |
|------------------------------|-----------------------|---------------------|------------------|----------------------|---------------|
| American interest rate FED | United States | 0.500 % | ↑ | 0.250 % | 03-16-2022 |

WHEN IT COMES TO PRICE ACTION ON THE WEEKLY CHART, ASK YOURSELF THIS QUESTION:

WHAT IS THE MARKET MOST LIKELY TO DRAW TOWARDS?

In Example:
Is there an Imbalance Higher?
or
Is there a Liquidity Pool Lower?

THIS SETS THE INITIAL BIAS FOR THE WEEK

PRICE ACTION ON THE WEEKLY CHART

BraveheartFX published on TradingView.com, Mar 19, 2022 04:46 UTC-4

E-mini Dow Jones (\$5) Futures, 1W, CBOT_MINI O32918 H34705 L32578 C34633



PRICE ACTION ON THE WEEKLY CHART

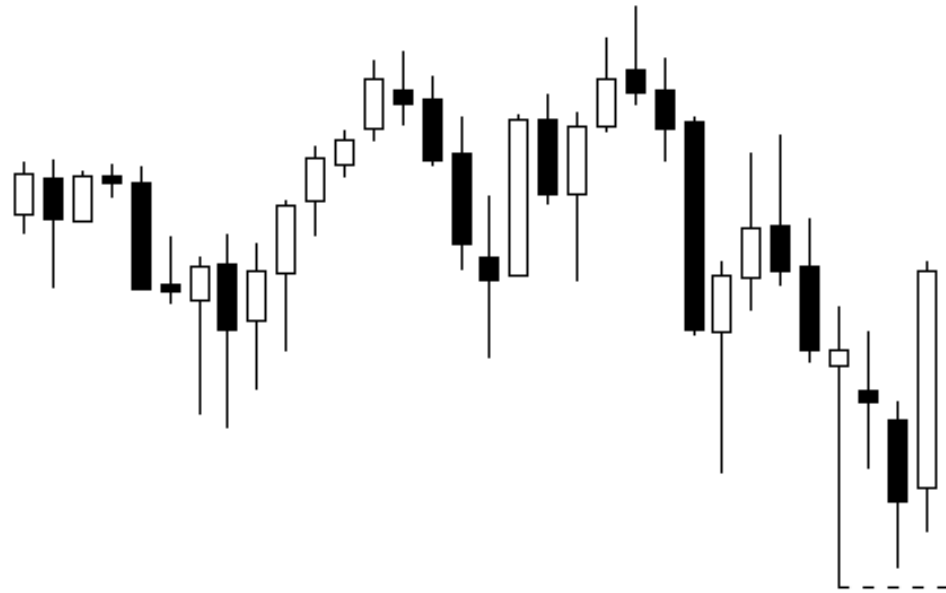
BraveheartFX published on TradingView.com, Mar 19, 2022 04:47 UTC-4

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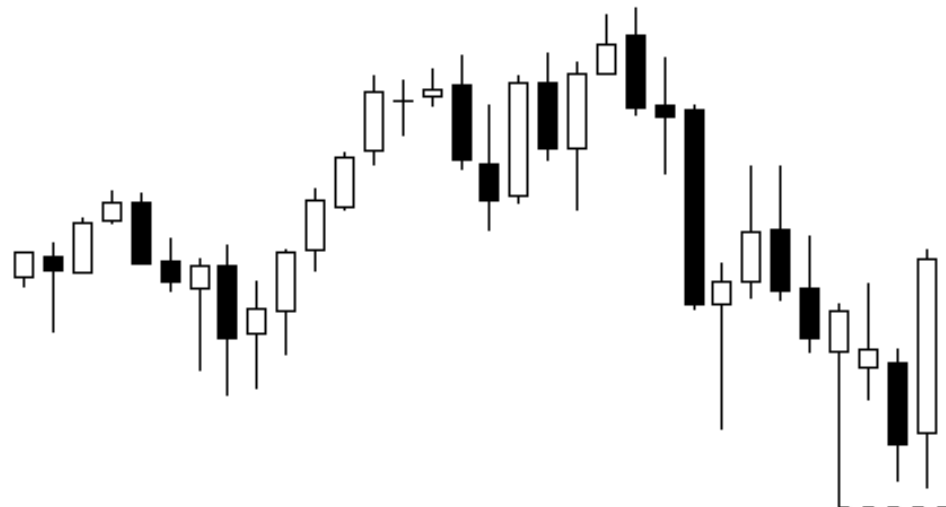
PRICE ACTION ON THE WEEKLY CHART

E-mini Dow Jones (\$5) Futures, 1W, CBOT_MINI 032918 H34705 L32578 C34633



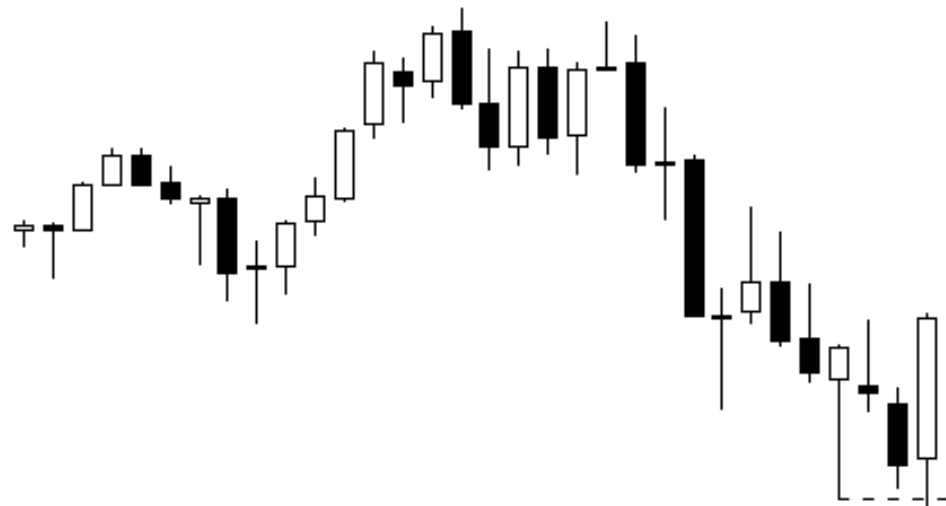
Dow
Made a Higher Low

4206.75 4465.75 4129.50 4453.50



Spooz
Made a Higher Low

13334.50 14442.75 12942.50 14413.50



Nasdaq
Made a Lower Low

**THE NASDAQ INDICATES A
CRACK IN CORRELATION!**

WHEN IT COMES TO PRICE ACTION ON THE DAILY CHART, ASK YOURSELF THIS QUESTION:

**WHERE ARE THE LIQUIDITY POOLS PRICE CAN SEEK?
(FOLLOWING THE ASSUMPTION OF THE WEEKLY CHART)**

The Draw on Liquidity for the most part is found on the Daily Chart.

The Daily Chart should have the majority of your time and analysis.

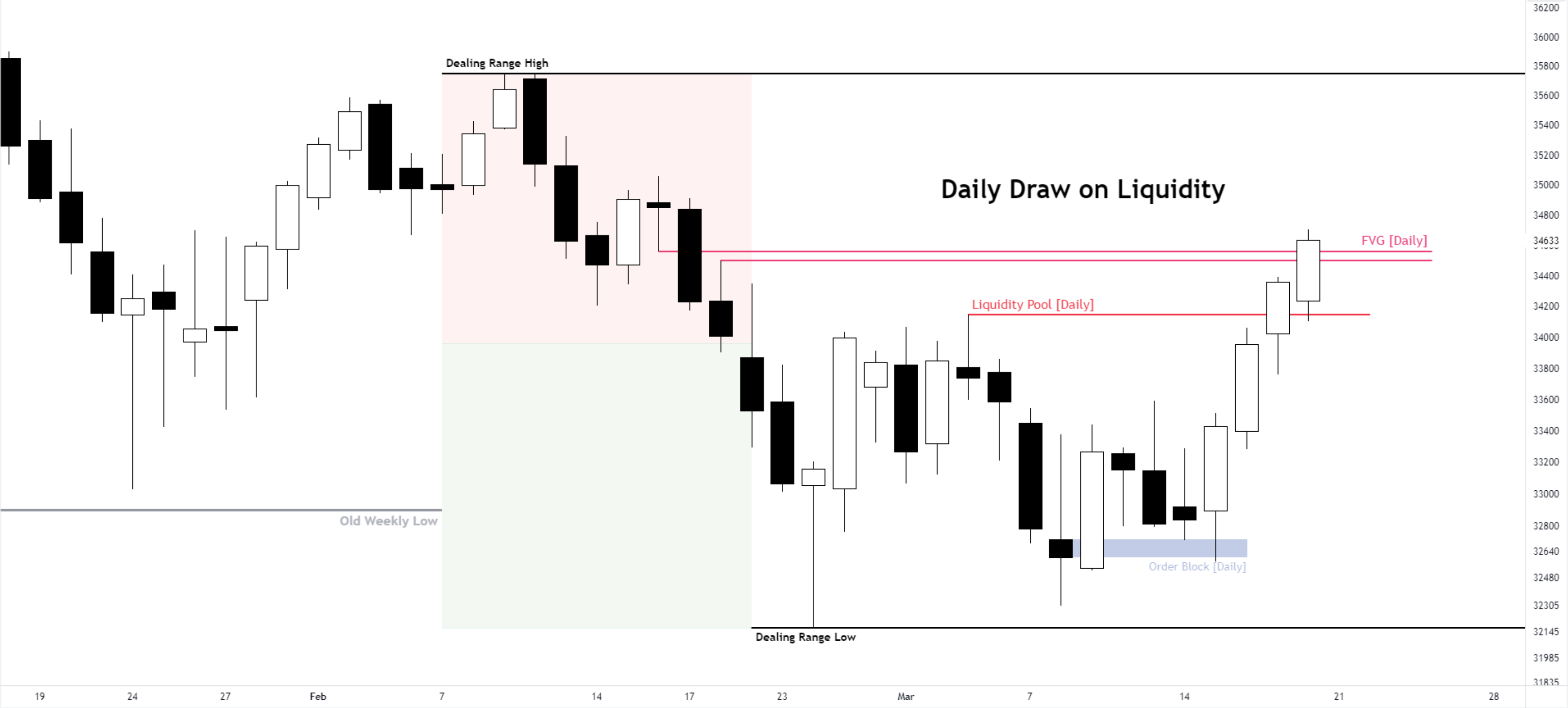
The Daily Chart will give you feedback every 24 HOURS on that Weekly Candle.

WE USE THAT FEEDBACK TO SUPPORT OUR ASSUMPTIONS OF THE WEEKLY CANDLE EXPANDING HIGHER OR LOWER.

PRICE ACTION ON THE DAILY CHART

BraveheartFX published on TradingView.com, Mar 19, 2022 05:52 UTC-4

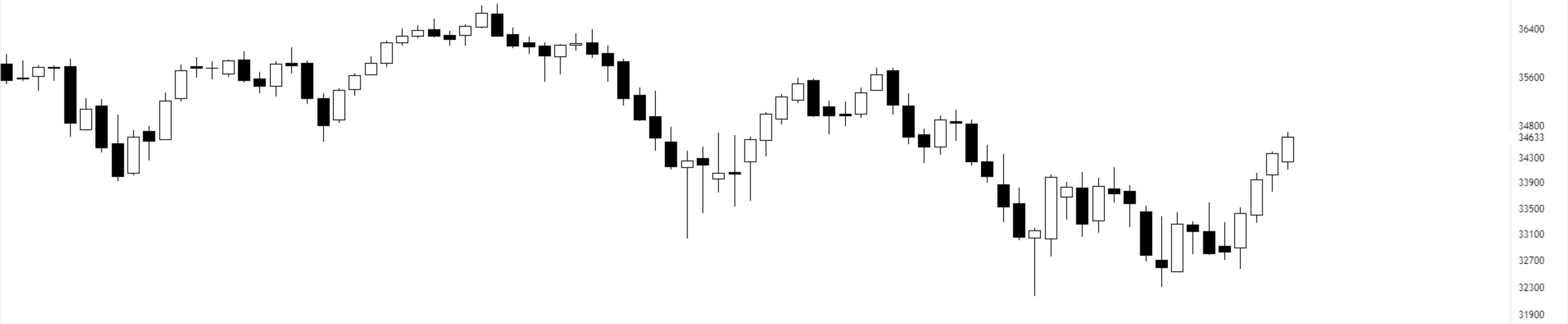
E-mini Dow Jones (\$5) Futures, 1D, CBOT_MINI O34234 H34705 L34104 C34633



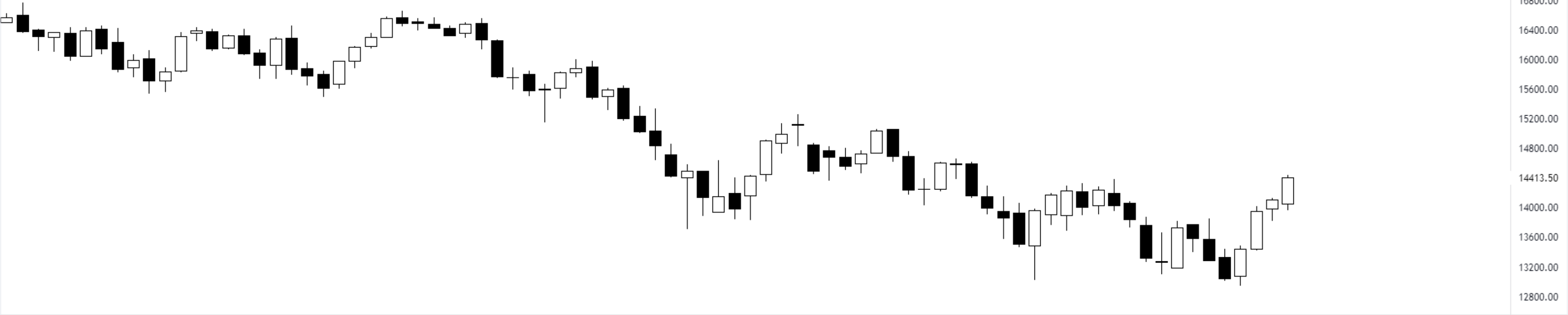
PRICE ACTION ON THE DAILY CHART

BraveheartFX published on TradingView.com, Mar 19, 2022 05:44 UTC-4

E-mini Dow Jones (\$5) Futures, 1D, CBOT_MINI O34234 H34705 L34104 C34633



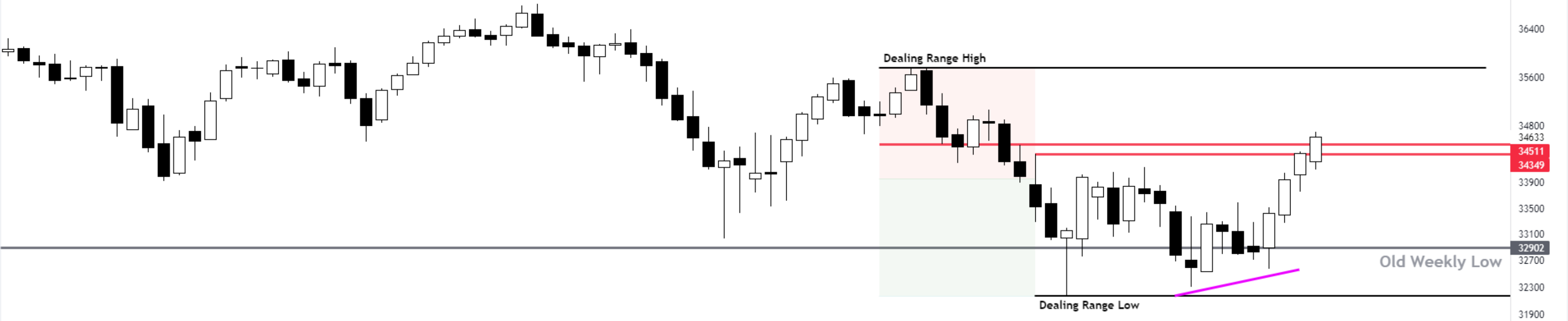
14056.75 14442.75 13966.50 14413.50



PRICE ACTION ON THE DAILY CHART

BraveheartFX published on TradingView.com, Mar 19, 2022 05:46 UTC-4

E-mini Dow Jones (\$5) Futures, 1D, CBOT_MINI O34234 H34705 L34104 C34633



14056.75 14442.75 13966.50 14413.50



HOW TO DETERMINE DRAW ON LIQUIDITY

The Draw on Liquidity will be

A) An Liquidity Pool

B) An Imbalance

LARGE FUNDS AND INSTITUTIONS WILL BE LOOKING AT A AND B ON THE HIGHER TIME FRAMES.

WITH A BIAS AND DRAW ON LIQUIDITY FROM THE HIGHER TIME FRAMES...

WE CAN NOW BUILD A FRAMEWORK ON THE 1 HOUR CHART.

This will help us view the Weekly Range.



INDUCING LIQUIDITY FOR LONGS IN THE MARKET

In·duce - *succeed in persuading or influencing (someone) to do something.*

INDUCEMENTS BUILD LIQUIDITY IN THE MARKET.

Step 1:

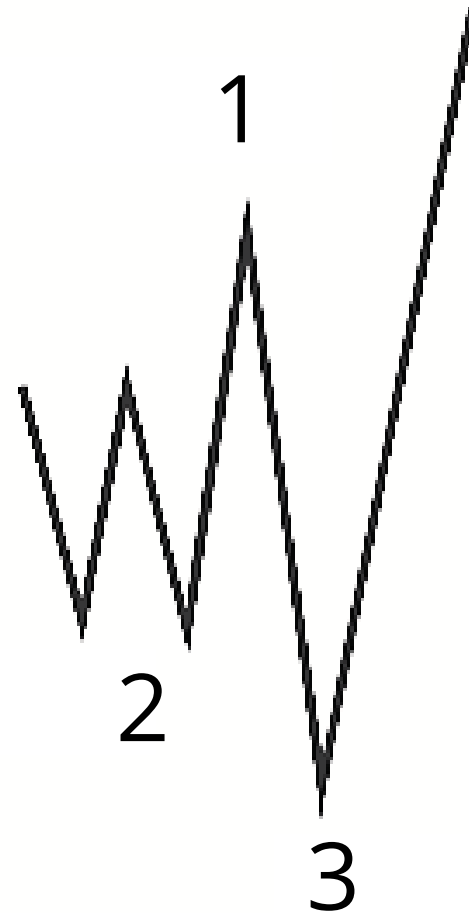
- Market fakes out Traders in order to trap them

Step 2:

- Trapped Traders will then place their stops below the Market Place
- This is the building of liquidity.

Step3:

- IPDA then seeks the Induced Liquidity to bring the market higher.



EVERY TIME WE EXPECT A SIGNIFICANT MOVE LOWER, ANTICIPATE A STOP HUNT IN THE MARKET.

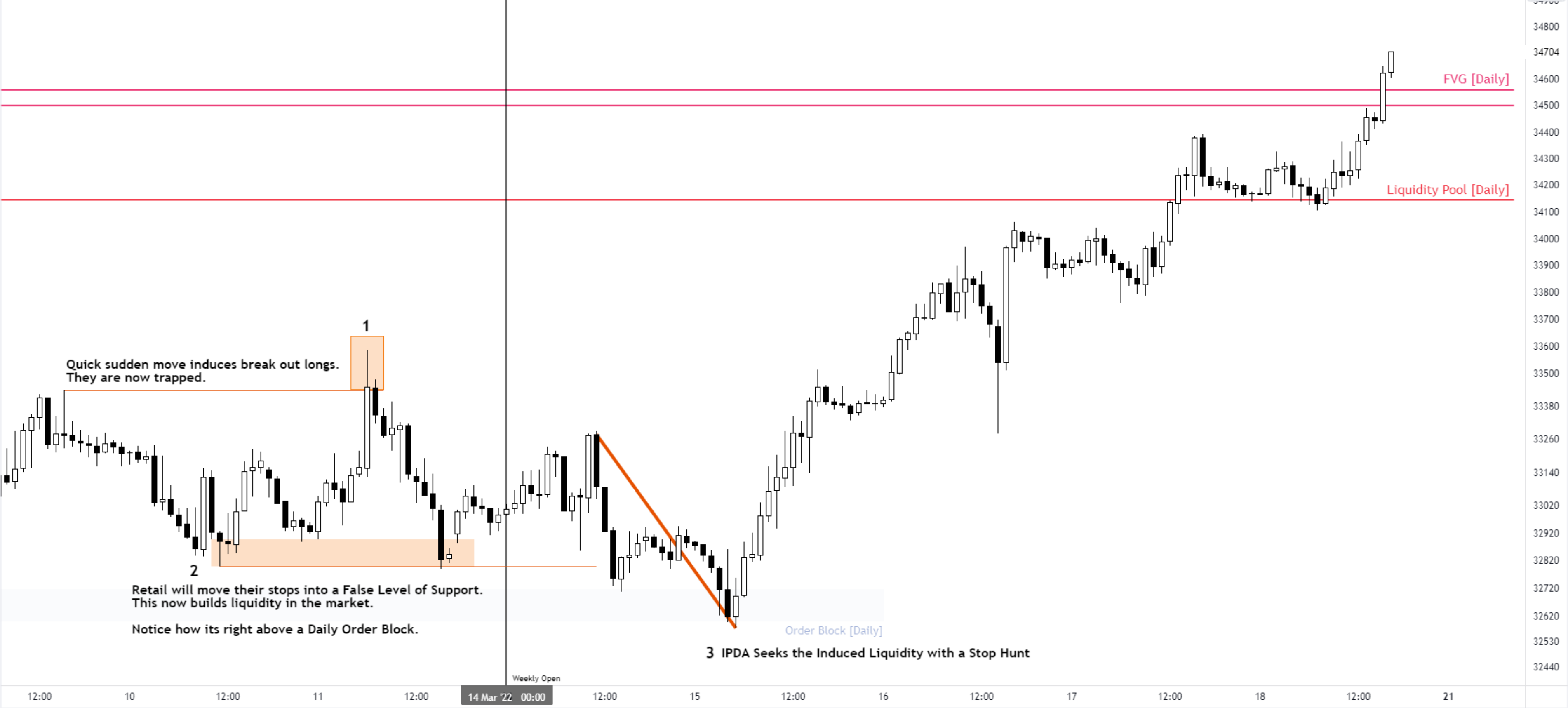
E-mini Dow Jones (\$5) Futures, 1h, CBOT_MINI O34626 H34705 L34606 C34704



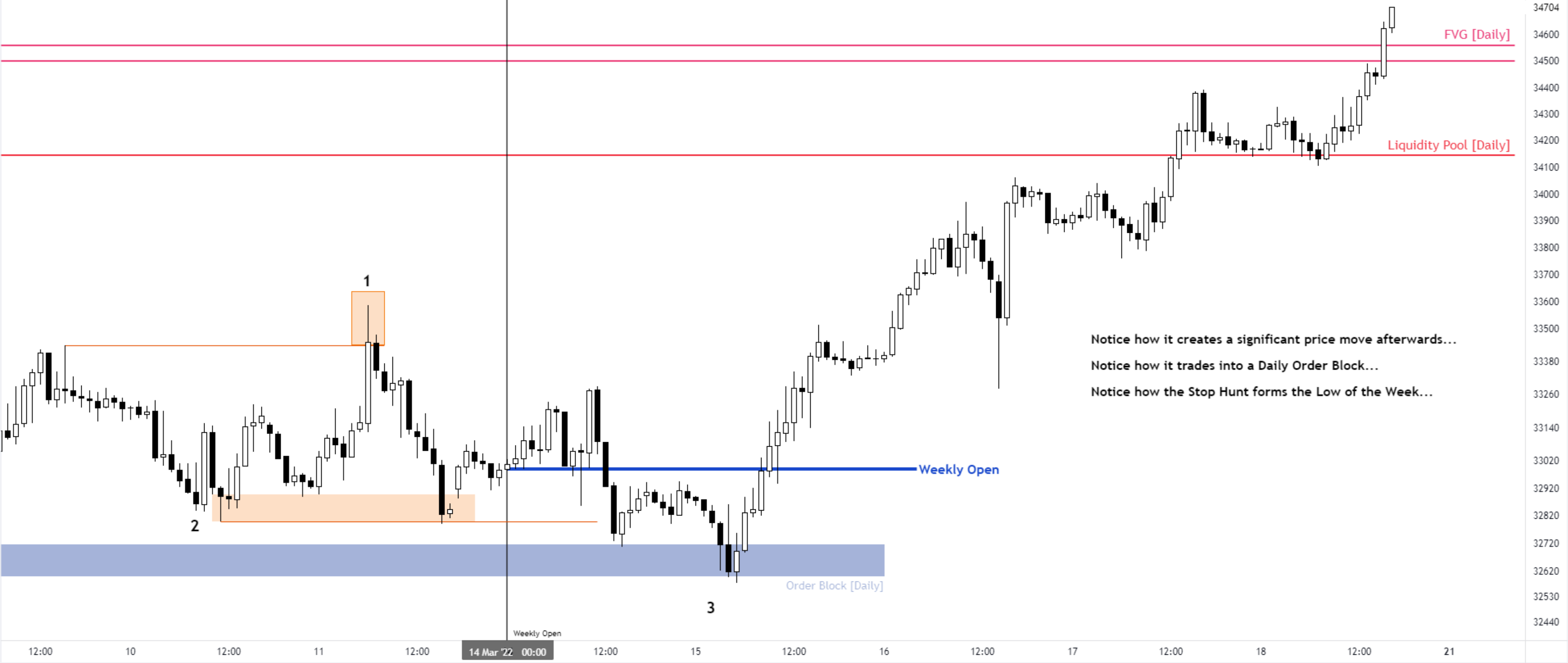
E-mini Dow Jones (\$5) Futures, 1h, CBOT_MINI O34626 H34705 L34606 C34704



E-mini Dow Jones (\$5) Futures, 1h, CBOT_MINI O34626 H34705 L34606 C34704



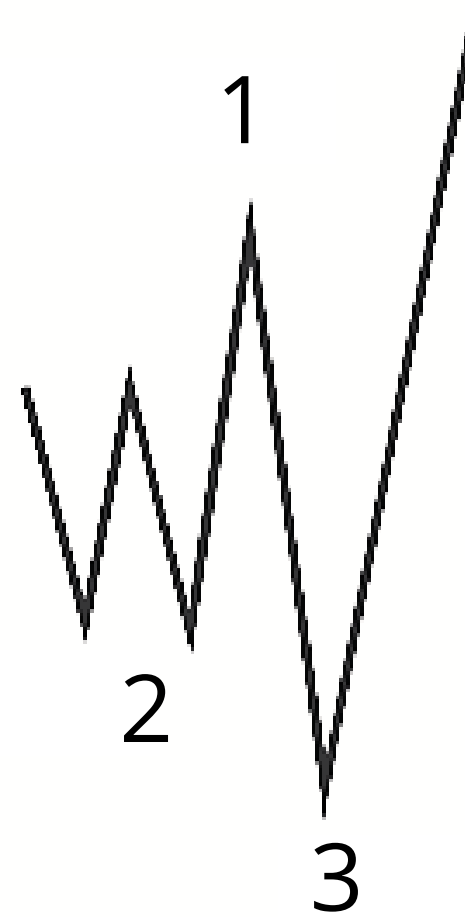
E-mini Dow Jones (\$5) Futures, 1h, CBOT_MINI O34626 H34705 L34606 C34704



ONCE STEP 3 OCCURS, WE WANT TO JUMP INTO THE LOWER TIME FRAMES TO LOOK FOR A SPECIFIC ENTRY

We are looking for a specific signature in price that shows us the market wants to move higher.

THAT SPECIFIC SIGNATURE IS AN FVG, AND THAT'S WHERE WE TAKE THE ENTRY.



E-mini Dow Jones (\$5) Futures, 15, CBOT_MINI O34676 H34705 L34668 C34704



FOR FINDING A PRICE EXIT, WE NEED TO UNDERSTAND THE LIQUIDITY MATRIX.

Define the Price Range before the Setup Was formed.

WHAT IS THE **KEY HIGH AND KEY LOW** RELATIVE TO WHERE PRICE IS CURRENTLY NOW?

THIS IS HOW YOU DELINEATE A **PREMIUM MARKET** VS **DISCOUNT MARKET**

BULLISH SCENARIO:

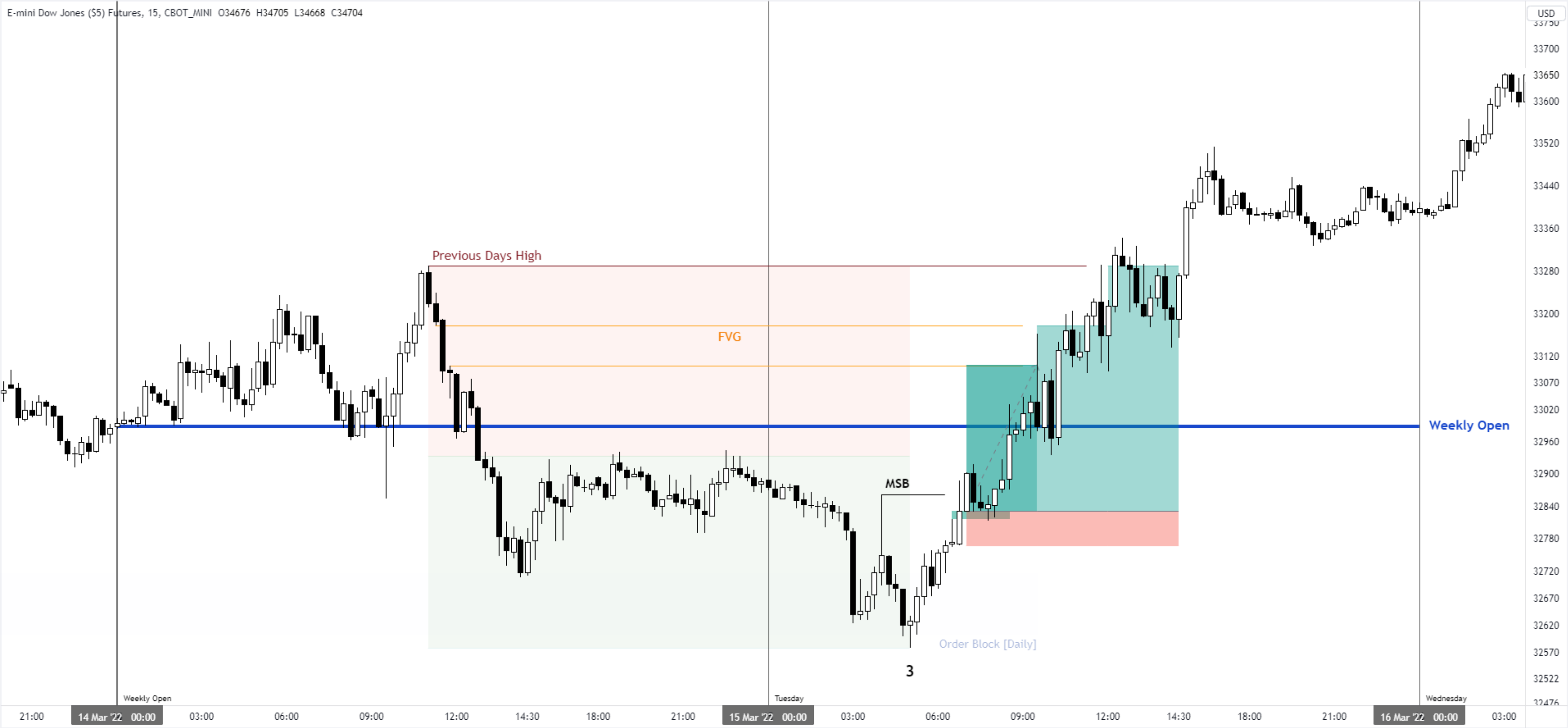
If the Market is in an Discount, we expect a Buy Program to occur.
This is where our entry formed...

We want to find a counter-level in a Premium Market to cover our short-entry
THIS IS WHERE OUR EXIT WILL BE...

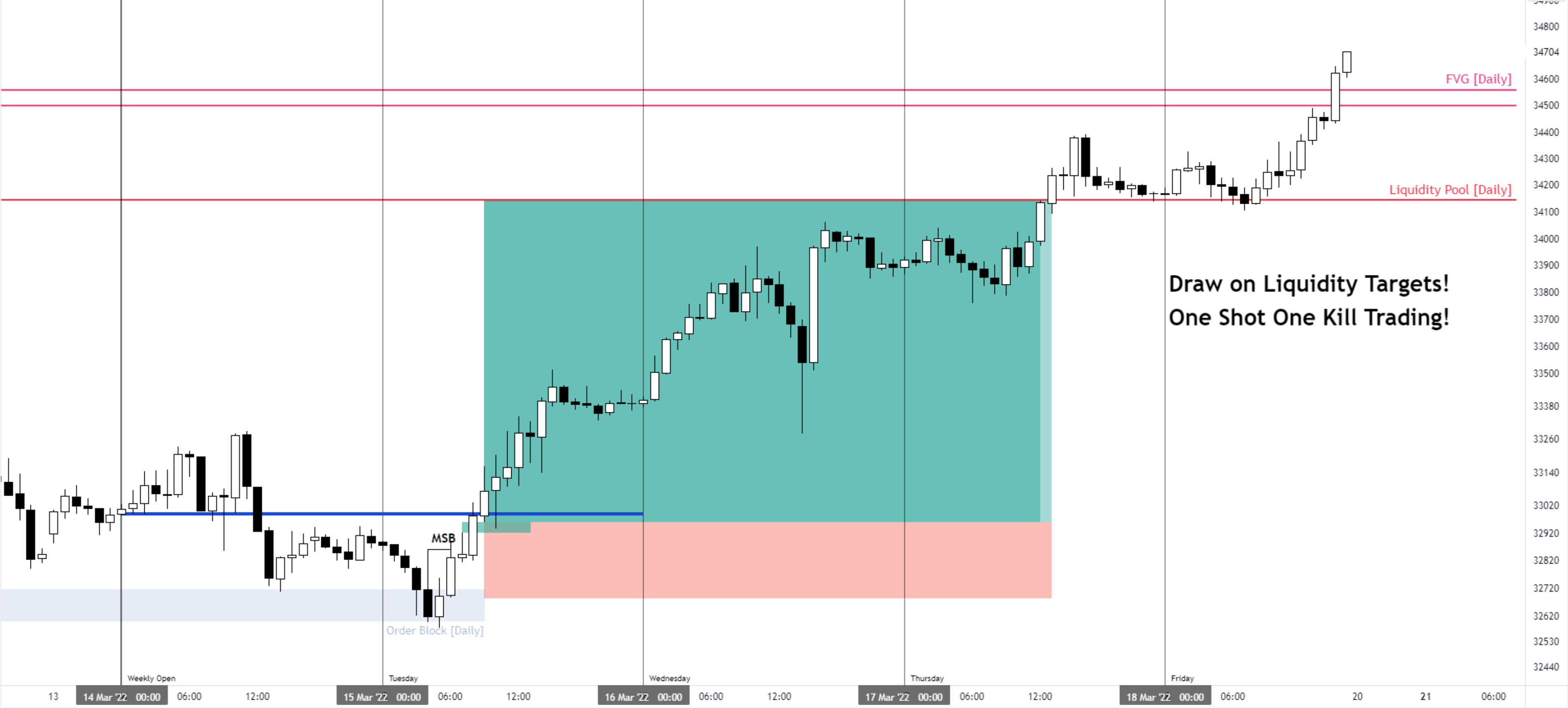
We can use the following levels as exits

- Liquidity
- FVG

E-mini Dow Jones (\$5) Futures, 15, CBOT_MINI O34676 H34705 L34668 C34704



E-mini Dow Jones (\$5) Futures, 1h, CBOT_MINI O34626 H34705 L34606 C34704



Draw on Liquidity Targets!
One Shot One Kill Trading!